GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:496
ANSWERED ON:23.02.2001
VOLUNTARY RETIREMENT SCHEMES IN SBI
GADDE RAMAMOHAN

Will the Minister of FINANCE be pleased to state:

(a) whether voluntary retirement schemes has since been introduced and implemented in SBI ;

(b) if so, the details thereof ;

(c) whether the Government are aware that there is great discontentment amongst the officers of the bank as they have been discriminated with other staff regarding age factor ;

(d) if so, the reasons for such discrimination ;

(e) whether similar discrimination regarding age factor has also been introduced in other banks also ;

(f) if so, the details thereof and if not, the reasons for which age factor difference has been introduced amongst the staff and officers of SBI regarding voluntary retirement schemes ; and
(g) the steps the Government propose to take to remedy the situation?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) : Yes, Sir.

(b) : Salient features of the scheme are given in the Annexure.

(c), (d), (e), (f) & (g) : In the model Scheme circulated by Indian Banks` Association to public sector banks it was, inter alia, mentioned that `it will be the prerogative of the bank`s management either to accept a request for Voluntary Retirement or to reject the same depending upon the requirement of the bank`. Government has also emphasised to Banks to take decision on VRS applications in accordance with their manpower requirements. In order to ensure that outflow of employees under Voluntary Retirement Scheme (VRS) is according to the requirements of the bank, the State Bank of India has stipulated a condition in the scheme regarding the age factor if the number exceeds their requirements. This condition is for all employees and there is no discrimination between officers and other staff. The applications received by most of other public sector banks are still under consideration and criteria, if any, adopted by any of these banks to restrict the number within their requirements will be known only after the VRS exercise gets completed.

ANNEXURE

Salient Features of Voluntary Retirement Scheme in State Bank of India

Eligibility All permanent employees with 15 years of service or 40 years of age.

Ineligible :

Specialist officers/employees who have executed service bonds and have not completed it, employees/officers serving abroad under special arrangements/ bonds, will not be eligible for VRS. The Board of Directors may, however, waive this, subject to fulfillment of the bond/other requirements.

Employees against whom Disciplinary Proceedings are contemplated/ pending or are under suspension.

Watch and Ward staff.

Employees appointed on contract-basis.

Highly skilled and qualified staff.

Amount of Ex Gratia 60 days` salary (pay plus stagnation increments plus special pay plus dearness relief) for each completed year of

service or salary for the number of months service is left, whichever is less.

Other Benefits

I. Gratuity as per Gratuity Act/Service Gratuity, as the case may be.
II. Pension (including Commuted value of pension)/ bank`s contribution towards PF, as the case may be.
III. Leave encashment as per rules.

Other Features
In order to control outflow of employees according to the requirements, the bank retains the discretion to limit the number of employees to retire in each category of staff viz., officer, clerical and subordinate. For this purpose category wise lists of eligible applicants would be prepared in descending order of their age and applications of employees coming in higher age groups above cut-off age would be accepted; the cut-off age in each category will of course depend upon the acceptable number of employees who can be permitted to retire.

Periodicity 15.1.2001 to 31.1.2001.

Mode of payment of Ex gratia In cash within 5 weeks from the date of retirement.